

Master Settlement Agreement

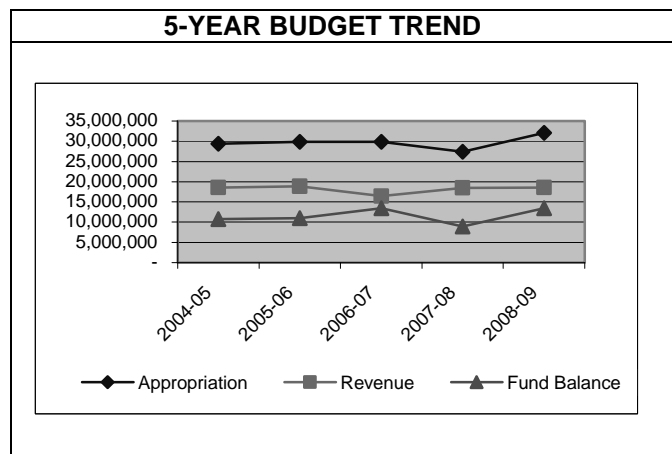
DESCRIPTION OF MAJOR SERVICES

This budget unit accounts for proceeds received from the tobacco lawsuit Master Settlement Agreement (MSA). In late 1998 a settlement was reached in a lawsuit filed by states against the tobacco industry. In California, the proceeds of the settlement are to be divided equally between the state and local governments who partnered in the lawsuit. Payments to local governments are based on a formula involving total tobacco sales and each local entity's population.

A majority of the county's total proceeds are used each year to finance a portion of the Arrowhead Regional Medical Center debt.

There is no staffing associated with this budget unit.

BUDGET HISTORY



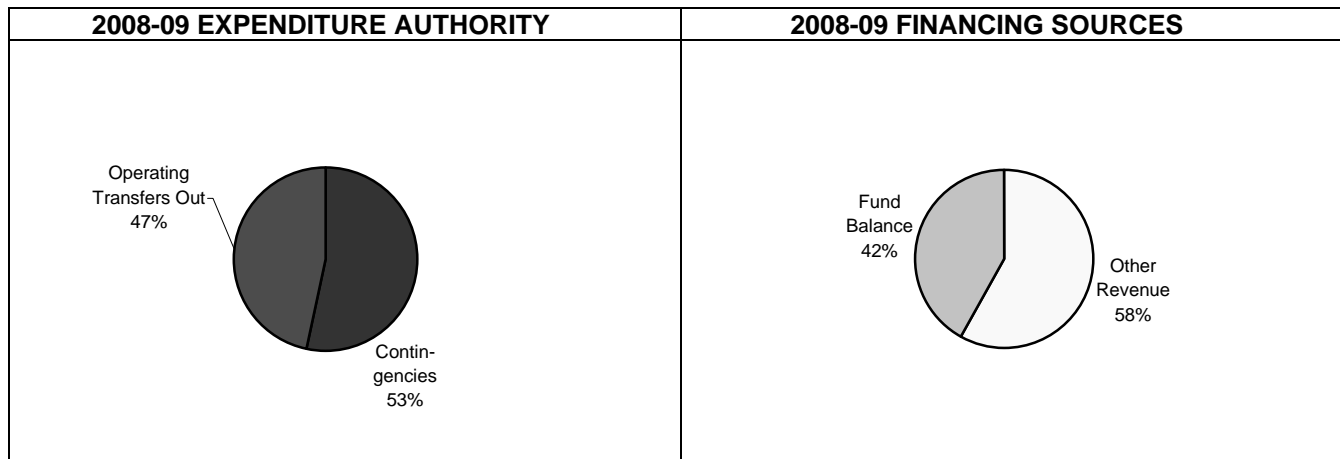
PERFORMANCE HISTORY

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Modified Budget	2007-08 Actual
Appropriation	18,633,000	15,000,000	22,933,000	27,434,886	15,000,000
Departmental Revenue	18,757,407	17,438,142	18,440,431	18,500,000	19,549,193
Fund Balance				8,934,886	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, actual appropriation in this budget unit is less than modified budget. The amount not expended is carried over to the subsequent year's budget.

Actual departmental revenue for 2007-08 is higher than modified budget due to an increase in settlement monies being received.

ANALYSIS OF FINAL BUDGET



GROUP: Health Care
 DEPARTMENT: Master Settlement Agreement
 FUND: Tobacco Settlement Agreement

BUDGET UNIT: RSM MSA
 FUNCTION: Health and Sanitation
 ACTIVITY: Hospital Care

	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Actual	2007-08 Final Budget	2008-09 Final Budget	Change From 2007-08 Final Budget
Appropriation							
Other Charges	-	-	4,000,000	-	-	-	-
Contingencies	-	-	-	-	12,434,886	17,084,079	4,649,193
Total Appropriation	-	-	4,000,000	-	12,434,886	17,084,079	4,649,193
Operating Transfers Out	18,633,000	15,000,000	18,933,000	15,000,000	15,000,000	15,000,000	-
Total Requirements	18,633,000	15,000,000	22,933,000	15,000,000	27,434,886	32,084,079	4,649,193
Departmental Revenue							
Use of Money and Prop	280,108	479,359	689,674	651,795	500,000	600,000	100,000
Other Revenue	18,477,299	16,958,783	17,750,757	18,897,398	18,000,000	18,000,000	-
Total Revenue	18,757,407	17,438,142	18,440,431	19,549,193	18,500,000	18,600,000	100,000
				Fund Balance	8,934,886	13,484,079	4,549,193

Contingencies of \$17,084,079 are increased by \$4,649,193 based on available fund balance and increased departmental revenue.

Operating transfers out of \$15.0 million reflect a transfer to the general fund which is then used to fund the local cost within the Health Care Administration budget unit. Health Care Administration budget unit uses that local cost to fund the \$4.3 million realignment local match requirement and \$10.7 million of net debt service lease payment for Arrowhead Regional Medical Center.

Interest revenue of \$600,000 is increased by \$100,000 to reflect current interest rates and higher cash balance.

Other revenue of \$18.0 million reflects anticipated revenue received from the major tobacco companies to the Master Settlement Agreement fund.

